



Profiles of Peasants and Implications for Marketing System Development

The Case of Tanzania

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**PROFILES OF PEASANTS AND IMPLICATIONS
FOR MARKETING SYSTEM DEVELOPMENT:
The case of Tanzania**

by
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PROFILES OF PEASANTS AND IMPLICATIONS FOR MARKETING SYSTEM'S
DEVELOPMENT: The Case of Tanzania.

1. Setting the Stage ¹⁾

"Economic history is largely the story of how to capture the peasants. Nowhere in the world have other social classes risen to power without making the many small and independent rural producers subordinate to their demands. The road to modern society has been completed at the expense of the peasantry." (Hyden 1980, p. 9).

Whether we agree to this basically exploitative path to development or not, the point of departure for this article is that economic development, generally speaking, means an integration of the peasants in the wider national and (perhaps) international economy. I.e. an increase in specialization, which again requires the development of a marketing system for conveying and transacting an increased quantity and variety of goods.²⁾ In other words, agricultural development means a transformation of the economic structure, including a wider division of labour in which the peasants become commodity producers, consumers of manufactured goods and users of industrially produced agricultural inputs.

Thus, to have economic development (the positive side) peasants must give up their economic independence (the negative side) in a subsistence sense of the term and become dependent of the market and non-market institutions for supplies and outlets for their produce.

In reality, and in spite of a tendency towards this integration, most developing countries have, however, experienced difficulties in developing agricultural production, whether in terms of producing food enough to feed the growing population in general or the urban dwellers in particular or in terms of increasing the production of various cash crops, expected to form a base for accumulation and expansion of industrial productive capabilities.

1) Section 1 and 2 are reproduced from Sorensen 1983.

2) The term transaction is used to cover all mechanisms of allocation (the market, command, reciprocity etc.).

Many reasons for this lack of development have been given, ranging from exploitation by world market capitalists over domestic exploitation by a state class; the lack of economic infrastructure and marketing facilities; the need for land reforms; the unwillingness on part of the peasants to give up their economic and political independence, to tradition and laziness of peasants, making it difficult to "modernize" agriculture.

Most of these explanations have been given theoretical backing, although some of them - like the thesis on laziness and tradition - have been more ideologically determined and a product of Western ethnocentrism. We shall, however, restrict the discussion to only one possible explanation, namely the lack of a proper marketing system to link the rural areas with the outer world.

Although the marketing system has attracted little interest within the field of Development Economics (which overall is supply and factors of production oriented), the marketing system is obviously crucial for the integration of the peasants in the wider economy, i.e. for the transformation of the economic structure and critical for whether peasant exploitation takes place or not. With these terms it has already been indicated that the marketing system is more than a system for conveying and transacting goods. It is also a political battle ground.

These crucial and critical roles of the marketing system will be dealt with under 3 headings. In the section to follow, marketing and peasantry will briefly be defined. Then follow, in line with traditional marketing thinking, a presentation of "models of peasants", and the marketing implications of these models are finally deduced.

2. Defining Peasantry and Marketing

Agricultural development has been pursued in the Colonial period and after independence, using a number of different institutions, ranging from developing the local institutions, e.g. the peasants as in British West-Africa, allowing white settlements, i.e. capitalist farming as in South Africa and Kenya, planta-

tions owned by overseas private multinationals in most countries, to state farms, established in most developing countries right before or after independence.

Concerning peasants, there is no unanimously agreed upon definition of a peasant economy or the peasant mode of production. The peasant stand somewhere between "the primitive agriculturalist" and "the capitalist farmer" (Hyden 1980, p. 11 and Klein 1980, p. 9-15). Essential characteristics of the ideal peasant economy are:

- 1) Direct access to land (no communal ownership)
- 2) Production by means of family members (control over own labour)
- 3) Production primarily for own consumption, but parts are sold on the market to pay for various goods and services
- 4) Farms are small
- 5) The farming technology is rudimentary
- 6) The division of labour is rudimentary and co-operation among peasants temporary
- 7) The peasants own the means of production they use.

This is the "person", the marketing system is dealing with. Although here stipulated by means of a number of characteristics, the peasant economy is not static. The way it is moving, however, depends on the situation. Critical to its dynamics is availability of land in relation to population, type of ownership, the strength of various domestic and international groups, as well as the working of the marketing system.

The concept of marketing - in the context of economic development - is used in a macro or systemic sense (Hunt and Burnett 1982, Arndt 1981 og Hunt 1977). The marketing system is part of the economic coordination system in an economy divided by labour. Its fundamental social tasks are to uncover needs, develop product formulas, and convey and transact the goods produced according to these formulas. As economic development means structural changes and particularly an increase and change in the division of labour, the role of the marketing system becomes more and more important both quantitatively and qualitatively in the course of development, with the marketing system itself contributing to development.

In brief then, the role of the marketing system in development is to "link" what division of labour has "parted".

For analytical purposes the marketing system is broken down into three sub-systems, a physical structure, an institutional structure and a superstructure.

The physical structure comprises of roads, railways, means of communications etc. The physical structure has a certain permanency although it is not unchangeable. The dominating physical structure in many developing countries is the one already laid down early in the Colonial period.

The institutional structure is defined as the set of distribution channels at any one time. A distribution channel is defined as the set of institutions, which undertake the marketing functions, necessary to close a gap, created by division of labour. Wholesale, retail, transportation and storage and especially the mechanism for allocation are the most important institutions. In decision terms, the institutions decide upon product, price, promotion and place (the four P's).

The superstructure consists of the political and administrative institutions, which 1. formulate and administer marketing policies, 2. give incentives to, direct or control marketing institutions, and 3. undertake the actual development of the physical structure and the actual running of the marketing institution. Although the superstructure has some autonomy of its own, it also reflects the economic tasks to be performed as well as the social forces at work in and the power structure of society.

This definition is broader than conventional ones, comprising physical infrastructure as well as political institutions apart from traditional marketing institutions. It also attempts to capture the fact that development means a transformation of an economic structure rather than approaching marketing from a (micro) behavioral point of view. Finally, the definition opens up for and tries to grasp the marketing system as an economic system as well as a social system and a political battleground.

In the following, we shall be less concerned with infrastructure and more with the two latter levels.

3. The Marketing Approach to the Transformation of the Peasantry.

As already stated, development involves the transformation of the rural economy, traditionally thought of as an integration of the rural areas in the wider economy.

This transformation and concomitant integration increases the importance of the marketing system, and in fact the marketing system itself has to be transformed, not necessarily as a prerequisite for the transformation of the rural areas, but in an interplay between the marketing system and the peasant economy (Belshaw 1965, ch. 1). Such transformation of the marketing system involves the expansion of the physical infrastructure, the reformation of the institutional set-up, and most likely an alteration in the exchange principle, i.e. a change in the mode of articulation between the rural economy and the "outside" economy.

The incentives to the transformation might come from within the peasant economy, but most likely it will come from the outside, i.e. from the modernizers, who for example try to use the marketing system dynamically to transform the peasant economy. In case the peasants are against such transformation, they on the other hand will try to avoid the marketing system or use it to protect themselves.

The integration of the peasants means that they become commodity producers, consumers of manufactured goods, and users of industrially produced agricultural inputs.

To operationalize the integration, we can think of it in terms of the establishment of 3-4 distribution channels, linking the rural areas with the international markets, the urban areas and other rural areas.

The three channels are: 1. a channel for agricultural produce, which can be subdivided into a food channel between the rural and the urban areas and a channel for cash crops linking the rural areas with domestic or foreign industries. 2. A channel for agricultural inputs, mechanically as well as chemical inputs and 3. a channel for manufactured consumer goods.

The forth channel is an inter-rural food channel linking the more and more specialized rural areas. Often this channel runs from rural area x to urban areas and further on the rural areas y.

To get any further in the design of the marketing system, we need to know more about the peasants. Are they at all interested in getting integrated? If so, on what terms? If not, why do they resist? Because of traditionalism, bad experiences or is economic independence simply too dear to them to be tradet in for a promised but uncertain increase in the standard of living.

In congruence with traditional marketing thinking, the analysis of the marketing system will commence with a study of the user of the system, the peasants themselves, i.e. we will depart from "the marketing concept" and "the societal marketing concept" (Kotler 1984).

The strenght of the marketing concept lies on its analysis of the needs, aspirations and behaviour of the single buyer/user/consumer. It is in principal an approach for adaptation to the environment, but in practice it is as useful to induce change and even manipulate the environment.

The approach is used at the risk of being accused of reducing the peasants development issue to a psychological problem. Admittedly, the risk is there, but attempts are made to see the behaviour in a larger social context, i.e. a historical and a structural context as well as the context of political power.

Like in case of a definition of the peasant economy, there is no unanimous agreement among researchers as to how to approach and view the peasant economy in Africa. Several theoretical positions exist, ranging from the view that the peasantry is subordinated the world market over views, which see the peasantry as a more autonomous mode of production with a real market exit option to Neo-Classical modernization theories, viewing agricultural development as basically a repetition of modernization of agriculture in the Western countries. (Heynig 1982).

The disagreement is partly caused by emphasis on different dimensions of the peasant economy, partly a simple result of the fact that, within a country, the peasant economy varies from one region to another. The latter has often been overlooked with the result, that studies of specific areas have been claimed to be valid for the whole country and even for the whole continent.

In relation to marketing, the theories of the peasant economy are too abstract and have not been developed for the purpose of deducing an appropriate marketing system for peasant development. The theories are explanatory rather than normative in character. In spite of this, it is possible to derive from them the principal marketing tasks, keeping in mind, that agricultural development requires the integration of the peasants in the wider economy.

4. The Peasant Economy and the Marketing System in Tanzania since Independence¹⁾

4.1. The development of the agricultural sector

Already during the German Colonial period (1884-1914), the structure of a mix of plantations, large scale farms and peasants farms was laid down. The plantations were owned by European multinationals, the large scale-farms owned and run by white settlers, and the indigenous population was either untouched or became peasants by supplying labour and produce or paying taxes to the colonizers.

Until the early 50s, the peasants were in various ways (e.g. by preventing them from getting loans) restricted from entering cash crop production to any large extent, the exception being coffee in the Kilimanjaro and Bokoba areas. When the British, however, foresaw the time of independence, they promoted in the 50s the development of indigenous large-scale farmers, using a co-operative framework.

The agricultural development after independence can be divided into two main periods, namely before the Arusha Declaration 1961-67 and after the Declaration 1967 until today.

1) See appendix 1 for facts on Tanzania

During the former period, the Government set up two schemes, the transformation scheme, consisting of a number of Government planned, highly mechanized new settlements, and the improvement scheme, directed at gradually modernizing the peasant way of producing and living. The former scheme became too expensive and was in general unsuccessful. It was abandoned in 1966.

The development path changed with the 1967-Arusha Declaration. The Declaration states that the ultimate aim is a socialist Tanzania. The corner stone of this envisioned society is rural development, equality and self-reliance. The modernization of the rural areas was supposed to take place within "ujamaa villages", which are nucleous settlements with co-operative/collective farming and minimal social and economic differentiation. The idea of ujamaa villages is based on pre-colonial values and modelled on the basis of the experimental and successful Ruvuma Development Association settlement, established in the early 60s. Initially, the process of forming ujamaa villages was voluntary, but to speed up the scheme, it became compulsory in 1973-74, and by 1976 around 13 million people lived in 8500 registered villages.

Only a fraction of the 8500 villages were and are, however, genuine ujamaa villages, and the intention of exploiting economies of scale and eliminating private large-scale farmers by establishing large-scale collective farming within the ujamaa framework thus did not mature in reality. In fact the requirement to farm collectively was abolished in 1974, and the private large-scale farmers were therefore not eliminated, only restricted in their development.

In 1975 the villages were, following the Villages and Ujamaa villages Act, given status as legal entities, which is allowed to enter into contractual arrangements, and in 1978 village managers were posted in about half of the villages to run the village affairs.

To increase local participation and to bring the Government administration closer to the village, the public administration was decentralized in 1972, bringing ministerial and technical

staff to the regional and district levels.

Extension officers were attached to the ministry of agriculture before 1972, but after the decentralization reform, they came under the wings of the regional and district administration, whereby they became involved in administrative and "political" work rather than genuine extension work. The number of extension workers has remained constant since 1976.

Because of the drought in 1974 and 1975, agricultural production decreased and imports of cereals increased. To expand food production, prices for food crops were increased, and in 1975 the National Maize Project was commenced, its aim being to increase small-holder maize production.

The overall strategy to increase agricultural production within the new ujamaa framework was one of chemicalization and the use of improved seeds rather than mechanization.

The Tanzanian Rural Development Bank, established in 1976, was an important vehicle in this strategy, supplying a package of "inputs and credit" to the peasants.

In quantitative terms, the agricultural sector performed as follows: Agricultural real growth has been 4.4% per annum from 1967-1980, and around 5% from 1976 to 1981. Its share of GDP has increased from around 40% in the late 60s to over 50% in the early 80s, reflecting the higher growth rates and the decline in industrial production. The marketed output did not experience major trend upward or downward in the period 1969-80, but the composition changed. The production of export crops declined, and marketed food crops increased. Further, marketed output of oilseed declined, staple grains increased a little, and the marketed output of drought crops like sorghum, millet and cassava increased tremendously due to the high prices offered by the National Milling Corporation, the statutory buying agency of food crops for domestic consumption. Marketed output of food crops was, however, not enough to fulfill the demand. On the average 183,000 metric tons of cereals were imported annually from 1969-80.

Summary

The peasantry in Tanzania has since independence moved from a scattered distribution of individual small holders to around 8.500 nucleous settlements. The intention of moving from individual to communal farming within the new settlements has not succeeded. The intention of increasing productivity by using fertilizers, improved seeds etc. has not succeeded. Food has been imported in most post-independence years. Prices as incentives have been used since 1974 and have shown that the composition of crops can be changed by price adjustments. Finally, the decentralization of the administrative and political apparatus has not increased peasant participation, but tended to increase control over agricultural production.

Thus the peasant economy has been reorganized, but the reorganization has not yet proven to be a base upon which agricultural production and productivity can increase.

4.2. The Development of the Marketing System¹⁾

The infrastructure established during the German Colonial period was extended by the British, but remained in its principal features the same until independence. After independence attempts have been made to open up new areas, especially in the south by means of the Tanzam railway and the new highway from Dar to Mbeya. The infrastructure is, however, still of a rather modest standard.

At the time of independence the marketing system, linking the rural with the urban areas and international markets, was a predominantly free market oriented multi-channel-system. The domestic marketing system and especially wholesaling was dominated by Asian traders, whereas the European merchant houses dominated the import-export trade. Statutory boards existed only for some export crops. The total number of traders is esti-

1) Main sources: Kavura (1983), Task Force (1982), Kriesel et al. (1970) and Green (1980).

mated to be around 50,000 in 1961 (Hawkins 1961).

Since independence the marketing system has undergone many changes, and no overall guiding principle like the ujamaa philosophy has been behind the changes. The major changes will be described in the following for each of the four main commodity flows between the rural and urban areas, namely export crops, food crops, farm inputs and manufactured consumer goods.

Export crops.

In 1962 the Agricultural Products Act (Control and Marketing) established a three tier single channel marketing system, where farmers delivered their produce to the co-operative society, which in turn sold to the co-operative union and further on to the relevant marketing board, one for each of the major export crops.

The act eliminated in principle the private traders, and the numbers of produce buyers fell drastically in the early 60s, whereas the number of marketing co-operatives increased from 700 in 1960 to 1250 in 1969. It is estimated that around 90% of all marketed produce is handled by co-operatives. (Kauura 1983, p 147). The co-operatives came under attack following the findings of the Presidential Special Committee of Enquiry into Co-operative Movement and Marketing Boards in 1967, and a new Co-operatives Act in 1968 increased Government control over co-operatives.

In the period 1970-74 the marketing boards were restructured and turned into crop authorities with enlarged powers over marketing, processing and selling. These increased powers were able to unfold fully, when the co-operative societies and unions were abolished in 1976, and the three tier system substituted for a two tier single channel marketing system.

To avoid duplication of marketing services, the crop authority, handling the largest volumes in a district, was designated buyer of all crops in the district, i.e. the authority functioned as an agent for the other authorities.

Prices were and are determined centrally. From 1973/74 pan-territorial pricing was introduced, i.e. all peasants receive the same price irrespectively of place and quantity produced.

The new two tier system provided inefficient, and marketing costs measured as a percentage of producer price increased heavily. This led to the re-introduction of the co-operatives in 1982 following a new Co-operative Act, and we are thereby back to a three tier single channel marketing system as from 1983. At the same time pan-territorial pricing was given up and substituted for a regional pricing system, which reflected regional comparative advantages.

Food Crops.

The channel for food crops is a complex one. It consists of three sub-channels, namely a free market channel for fruits and vegetables, a confined channel for the main grains (maize, rice and wheat), and an unofficial one for the same grains.

In the former channel the major part of the commodities are sold on market places, rural as well as urban. Further, the channel for grains runs from the rural to urban areas, and some of the grains are funnelled back to the rural areas after processing.

To market the grains and especially maize, The National Agricultural Products Boards (NAPB) was established in 1962 and made responsible for implementing the policy of a "single channel marketing system". The Board appointed the co-operative unions as its main agents, and the co-operative societies received the exclusive rights of buying from the peasants. Although all maize was to be sold to NAPB, it is estimated that 80-90% of the produce is sold through the unofficial channel.

In 1967 eight food processing firms were nationalized and made part of NAPB. Already in 1968, however, the National Milling Corporation was established and took over the processing plants.

The NAPB was dissolved in 1973 and replaced by the National Milling Corporation (NMC). It handles the purchasing through the three tier single channel marketing system, the processing, and the reselling primarily through the Regional Trading Corporations and the distribution wings of the co-operatives. (See below). As from 1976 the three tier system was reduced to a two tier channel, following the abolition of the co-operatives. The parallel markets still flourished. Following the drought in 1974, producer prices for food crops were increased and NMC started to purchase drought crops like cassavè, millet and sorghum, for some of which a market hardly existed.

In 1982 the co-operatives are re-introduced, and in 1983 the Task Force of National Agricultural Policy recommends the NMC-system to be replaced, and a system with more lateral trading among the co-operative societies and unions established as follows (see figure below).

Manufactured Consumer Goods.

At the time of independence most manufactured consumer goods were imported and distributed domestically by Europeans and Indian traders.

To oust or at least compete with the private traders, the International Trading and Credit Company (INTRATA) - a general imports firm - and the Co-operative Supply-Association of Tanganyika (COSATA) - an import/export and wholesale apex for the retail co-operatives - were established in 1962. The former, a joint venture between the state and a Dutch businessman, was to some extent successful in getting a reasonable share of the import trade. The latter was a disaster. Most of attached consumers' co-operatives went broke, and COSATA was nationalized and became a part of the State Trading Corporation in 1967. The marketing co-operatives were more successful in establishing "consumer co-ops., known as the "ugawaji" wing of the marketing co-operatives. In 1967 they operated about 500 retail shops, distributing food and basic consumer items.

A new attempt to indigenize the marketing system for imports and wholesale of manufactured goods was made in 1967, following the Arusha Declaration. Seven large import/export and wholesale firms were nationalized and formed into the State Trading Corporation, commanding from the outset around 20% of all imports.

Thus, during the early 60s the marketing co-operatives diversified. (Kauura 1983, p. 148), distributing both processed foods (maize, sugar etc.) and manufactured consumer goods.

The policy was to allocate monopoly control of trade in certain basic lines of goods to STC and encourage STC to compete with the private sector for non-confined goods. In 1970, however, a presidential directive demanded all imports and wholesale trade to be confined to STC. STC was expected to replace overnight 400 importers and 4000 wholesalers. This together with some doubtful advices from a foreign consultant led to the breakdown of the STC.

It was dissolved in 1973 and substituted for a decentralized structure consisting of 20 Regional Trading Corporations, 7 National Trading Corporations and a Board of Internal Trade (BIT) as a supervisory and advisory body. This structure has remained since, but it has been extended especially into the districts.

In 1980 a new Trade Policy restricted private trading to current holders of licences, and state enterprises were directed to open state or consumer owned shops. Further, the confinement policy was intensified, and the marketing system was supplemented with Allocation Committees at the national, regional and district levels. The Committees consist of politicians, public administrators and RTC managers, and their aim is to assure a fair distribution to and in the rural areas.

At the village level, co-operative shops were embarked upon after independence, and a number of shops attached to the marketing co-ops. were, as mentioned, established, but private traders, including the Dukas of the Asians, dominated the retail trade. In 1976 "Operation Maduka" aimed at eliminating all private shops in the rural areas and establish village shops, but the campaign created such disruptions in the flow of goods, that it had to be reframed. The rule became that no private shop should be closed down until a viable village shop had been established. In 1977 it was reported that 3.248 ujamaa and co-operative shops had been established, and 7.000 in 1981.

Farm Inputs and Implements.

The marketing of farm inputs and implements were as the other commodities in the hands of private traders at the time of independence. With the promotion of co-operatives, the unions and societies took over some of the distribution, but the marketing arrangement for inputs and implements does not follow the idea of a single channel marketing system to the same extent as in case of export and food crops.

With the establishment of STC in 1967, agricultural implements was imported and distributed through the Agricultural Implements Division of STC, using primarily the co-operatives at the lower end of the channel.

When STC was dissolved in 1973, AISCO - the Industrial and Agricultural Supplies Company - took over the import of implements and the 19 RTCs took over the domestic distribution.

When the co-operatives were dissolved in 1976, the marketing system came close to a multiple channel system, as a number of parastatels moved uncoordinated into the trade, including RTCs, Crop Authorities, AISCO and TRDB., the latter combining credit and loan with the distribution of fertilizers (Task Force, p 62).

In 1983, the Task Force on National Agricultural Policy suggested, that the co-operative unions should take over the distribution at the sub-regional level, and that the number of delivering institutions at the national level is reduced and their activities coordinated. (Task Force, p 136).

The diversity of distribution channels is best described by a few examples.

Hoes - the most important hand tool - are made domestically in a large-scale factory (UFI) and locally by blacksmiths and others, and they are also imported by AISCO. The imported and UFI-hoes are primarily distributed through RTCs at the wholesale level and co-operatives at the retail level.

TANSEED - a parastatel - is responsible for the production and distribution of certified seeds. The seeds are produced on contracts, and the distribution takes place through own depots and retail outlets as well as through agents such as RTCs and private businesses.

Fertilizer distribution has been reorganized several times. Up to 1975 TFC - the Tanzanian Fertilizer Company, which produces from 50-75% of total supply - distributed primarily through co-operatives with TRDB - the Tanzania Rural Development Bank - as the supplier of credits.

The remaining was distributed by RTCs and the Tanganyika Farmers Association to large scale-farmers.

After 1975 the Ministry of Agriculture directed the fertilizers to be channelled through the various Crop Authorities, (which in 1973-74 had their powers and responsibilities enlarged) and through Regional Development Directors. The system, however,

never really worked, and after 1976, when the co-operatives were dissolved, a number of parastatels, including TRDB, AISCO are handling fertilizers.

From 1977 TFC were given the responsibility of distributing fertilizer throughout Tanzania, using various agents to reach the users.

Summary.

The Tanzanian marketing system, linking the rural with the urban areas and international markets, have since independence moved from a multi-channel system towards a single channel marketing system. Second, it has moved from a predominantly private system to a system dominated by co-operatives at the peasant end of the channels. Thirdly, the system has moved from a non-African dominated system to an indigenous dominated system. Finally, the system has moved from a predominantly economic directed system to a political-economic system, where control over the system is as important as economic efficiency, and where almost erratic changes have disrupted the stability of flows through the channels.

5. Profiles of the Peasants

5.1. The Neo-populist View of the Peasants

The Neo-Populist peasants are small-scale farmers, settled in nucleous villages with little social and economic differentiation. Land is communally owned and allocated and the peasants are co-operatively organized especially with respect to their relations with the outer world, but sometimes also in production in an attempt to modernize it and raise productivity and incomes of the peasants. The peasants are assumed to have an attitude of self-reliance, to aspire for a higher standard of living, and to be open for the adoption of new farming practices, which will fulfill their aspirations, reduce drudgery, and preserve the values of rural living.

The modern neo-populist view of the peasants is presented by Kitching (1982). Its roots go back to populism (up to 1914) and neo-populism (between the Wars), and it has been developed by development thinkers and practitioners after the 2nd World War, noticable Lipton (1977), Schumacher (1973), Nyerere (1967) and ILO through its World Employment Programme launched in 1969.

This view of the peasants is especially interesting in our case, because, as Kitching points out, we can hardly find a better example of modern neo-populism than Nyerere's Tanzania. In other words, Tanzania has been a sort of huge laboratory for testing out the ideas of a populist thinker. (Kitching 1982, p. 119-20). ¹⁾

Nyerere (1967) envisioned a socialist Tanzania, where people live in socalled ujamaa-villages, the basis of which are pre-colonial values and some modernization to live up to 20th Century requirements.

The pattern of living in pre-colonial Tanzania was, following Nyerere (1967) based on three principles of life: Respect (recognition of mutual involvement in one another); Equality (basic goods were held in common and shared among all members of the social unit); And an obligation to work.

1) The section is primarily based on Nyerere (1967), Kitching (1982), ILO (1978) and Ministry of Agriculture (1982 and 1983)

Compared to the envisioned society of independent Tanzania, the precolonial living had two drawbacks. The first is the inferior position of women. The second is the poverty, which is caused by ignorance and the low scale of operations. "Both of these can be corrected without affecting the validity and applicability of the three principles of mutual respect, sharing of joint production, and work by all." (1967, p. 109). By modernizing the rural sector all will have a gradually increasing basic level of material welfare. Economic progress/increase in agricultural productivity is thus essential in the envisioned peasant development.

Nyerere is aware that present rural life has moved away from the three principles and become more individualistic and competitive. Therefore: "The principles upon which the traditional extended family was based must be reactivated." (p. 120). And he continues: "We can start with the extended family villages, but they will not remain family communities, and they must certainly be larger communities than was traditionally the case. Also, modern knowledge must be applied by these communities and to them; and the barriers which previously existed between different groups must be broken down, so that they co-operate in the achievement of major tasks. But the basis of rural life in Tanzania must be the practice of co-operation in the widest sense - in living, in working, and in distribution, and all with an acceptance of the absolute equality of all men and women." (p. 120)

The collectivization of the rural areas was conceptualized as a three stage process. The first step was to create villages and thereby eliminate the scattered production structure. This was done primarily to be able to improve the accessibility to the peasants and thereby be able to channel resources into the rural areas in a more effective way. The second step consisted of the beginning of collective farming side by side with the cultivation of individual plots. The third stage is the fully collectivization of village life.

Thus, Nyerere envisions a total collectivization of rural living, the purpose of which is to eliminate economic differentiation and to exploit economies of scale in agricultural production. Nyerere is in accordance with populism on the issue

of equality in the rural areas, but he is to some extent stepping outside the traditional notions of populism, when he advocates total collectivization and the exploitation of economies of scale. Within the populist framework, rural economic life might be co-operatively organized, but the individual household/undertaking/enterprise does not disappear. It is the nexus of co-operation.

As already shown in section xx, the Tanzanian Government succeeded in creating a number of new villages (although it may well be that many of them are purely nominal entities with no change since independence), but it is also well reckoned, that it did not succeed in socializing the rural areas. The dominant mode of production is still individual peasant production (Ministry of Agriculture 1983, p. 3.). The intended economies of scale have not been exploited to any large extent in agriculture or rural but non-agricultural economic activities (ILO 1978, p. 50), and the individually owned farms have performed better than have the collective village farms. The question is why?

Was it because the notion of the peasants was wrong, i.e. the past was misinterpreted, or had the Colonial period changed the peasants to the point of no return.

The reason could perhaps also be found in the poor management of the resettlement and collectivization programmes. Were, for example, the incentives (campaigns and social services) the correct ones? Was the self-reliance attitude and ability overestimated? Were the supplies, so badly needed by the new villages, adequate and steady in their flow?

Perhaps outside factors (drought, oil prices, and the Ugandan war) can explain the lack of success, or perhaps it is too early to judge. After all the social experiment has been under way for only around 20 years - a rather short period to restructure a rural sector totally.

We shall not try to answer these questions, but restrict the discussion to points, relevant to marketing.

In the opinion of Lofchie (1976) "Nyerere's theory that traditional collectivism ... is out of touch with the realities

of traditional society in Tanzania...". Communal landholding was known, but communal work and communal appropriation were extremely rare. "In a nutshell, traditional systems normally combined the concept of communal ownership with the practice of individual use and appropriation. This pattern was particularly prevalent in Tanzania where settled villages were in any case uncommon and most rural societies organized on the basis of scattered individual homesteads." (p. 489). Thus the concepts of communal labour and communal appropriation are new and unfamiliar to most Tanzanians. (See also Kitching 1982, p. 120 and Hyden 1980, p. 98-100).

Lofchie (1976) and Kitching (1982) also find that the Government has underestimated what has happened to the peasant economy during the Colonial period. Several studies have shown that communal landholding was substituted for individual systems of land tenure.

Further, in the actual implementation of the programme, it seems that "equality" took priority over "increase in productivity". The collectivization was intended to eradicate the progressive farmers, who, in the mind of the Government, was a capitalist class in opposition and antagonistic to the peasants. Following Lofchie, this is not the case. The peasants and the progressive farmers are different strata of the same social class, and their relationship is one of a patron to a client. Both strata protested against collectivization by lowering productivity at the same time as the progressive farmers succeeded in blocking collectivization and lobby for social services through political alliances and close working relationship with the agricultural extension officers. (See also Hyden 1980, p. 113-119).

To evaluate the managerial implementation of the programme further, it is purposeful to refer to the settlement scheme from 1962-66. This was not a socialist villagization scheme, but it had the more modest goal of getting easier access to the rural population, e.g. with respect to social and economic services and inputs. The programme was abandoned in 1966, because it was too expensive to supply the villages with the mentioned services and the inputs (tractors etc.), to pursue mechanized farming methods and because the scheme widened in-

fra-rural income differentials. (Lofchie 1976, p. 485 and Ministry of Agriculture 1982, p. 8-9).

Marketing implications. Unlike earlier populist thinkers, modern neo-populists do not attempt to preserve the peasantry in its present or former form. They do not have romantic images of peasants, but a desire to eliminate drudgery and modernize rural life. This modernization must, however, respect essential modern neo-populist values and development thinking, first and foremost equality, smallness, minimum urbanization, participation and productive employment.

The aim of modernization is to increase the standard of living and in general the welfare of peasants. In case of Tanzania, modernization has two aspects. One is the reorganization of work from individual to co-operative and collective schemes (+ hard work). ¹⁾ The other aspect is the introduction of new inputs, which in turn will raise output. The latter aspect requires the development of two channels of distribution, an input channel and a channel for produce, and as the peasant income increases a third channel - one for consumer goods - is also needed.

In developing these channels, three conditions must be fulfilled:

1. First of all, the marketing system must be developed to modernize the rural economy without endangering the equality of all aspects of economic life. This means that flows through the channels of distribution must be equally shared, e.g. a certain allocation of fertilizer must be distributed to all peasants on an even basis.

Fulfilling simultaneously the dual role of productivity increase and equality might, however, endanger the former goal, namely in case the available resources are spread so thinly, that "critical minimum" levels cannot be reached.

1) From reading Nyerere (1967), it appears that reorganization and hard work to some extent could substitute for the need to introduce new types of inputs, but ILO (1978, p. 39) emphasizes the need for new inputs (see also Hyden 1980, p. 105 and 119).

The very speed with which villagization took place makes the risk obvious and the ILO mission (1978) observes: "It is our impression ... that there is insufficient appreciation of the magnitude of resources required for achieving broadly-based increases in the productivity and output of farm households." (p. 37).

2. Secondly, to protect the peasants from outside exploitation, for example by middlemen, marketing co-operatives are by populists seen as the institution, which can protect rural living and modernize it at a speed of its own choice.

Forward integration in the vertical channel is a well known move to gain power in a channel of distribution and acquire parts of the channel profit. The establishment of co-operatives as well as the daily running of them require, however, economic as well as managerial resources not easily available. Co-operatives have therefore often been branded "inefficient" in developing countries, including Tanzania (see Report 1966).

Inefficiency, it is held, can be done away with by means of better training, but this might not be enough. In all the endeavors to establish co-operatives and harvest the vertical benefits, it is often forgotten, that problems at the horizontal level - the social setting in which the co-operatives are established - might be present as well. For co-operatives to be successful, it is essential that a certain degree of individualism prevails, because a co-operative is a co-operation between individuals. A patron-client relationship will, for example, tend to make the patron consider the co-operative as his responsibility and at his disposal within the prevailing patron-client social network. The co-operative institution might therefore not fulfill the populist goal of equality, but be an instrument of rural economic differentiation and even a platform for political activity.

In Tanzania, co-operatives have a long history as a political-economic instrument of the peasants and although co-operatives have been a principal institution in the de-

velopment of the rural areas after independence, it is obviously from the many reorganizations, that the Tanzanian Government has had difficulties in defining a proper and durable role of the co-operatives in its attempt to modernize and socialize the rural areas. The government has been bothered by the speed of a voluntary co-operative process; by the inefficiency of co-operatives, embezzlements etc; and by the fact that co-operatives are "soft ideology" ¹⁾ and not being strong enough to eliminate progressive farmers and assure an egalitarian rural sector.

Up to 1967 the Government embarked upon co-operatives; but after the Arusha Declaration, and under the impression of the findings of the committee of enquiry to examine the working of the co-operative system (Report 1966), the role of the co-operatives was challenged by state institutions, and in 1976 a climax was reached when the co-operatives were abolished and replaced by "village committees" and "crop authorities", the latter handling marketing as well as directing production.

The crop authorities and other state trading organizations have shown an even worse record of inefficiency compared to that of the co-operatives, and partly for this reason the co-operatives were re-introduced in 1982, their primary role being to link the village with the wider economy with respect to produce, inputs and credit (Ministry of Agriculture 1983, p. 22-27). The reason for introducing the co-operatives primarily at union level, with its members/clients being village societies and village Governments, must be found in an attempt to increase marketing efficiency at the same time as restricting the co-operative movement at the village level in order to carry on with the socializing of the villages.

3. Thirdly, the marketing system must be developed to establish rural division of labour rather than a rural-urban or

1) Co-operatives are found in all societies and although no data are available, it seems likely that co-operatives are an essential instrument to link two different modes of production, e.g. peasant mode of production with trade capitalism.

even rural-international one. Unlike earlier populists, modern neo-populists do not attempt to place a barrier in the way of industrialization, but try to direct it to fit populist values and development thinking.

In case of Tanzania, three levels of division of labour can be identified. A simple division of labour takes place within the village between farming and non-farming activities (a carpenter, a blacksmith, a shop manager). As customers will order directly from the producer and as exchange will tend to be in kind, the marketing system at this level of division of labour will be very rudimentary.

The second and most important level of division of labour has the tripple role of producing and supplying inputs to modernize the peasant economy, to increase self-reliance and to prevent urbanization and big-scale industrialization.

Village industries or cottage industries are established to supply a number of surrounding villages and small urban areas, thereby exploiting some degree of economies of scale, and the marketing channels for inputs and industrial consumer goods must be rural-rural oriented instead of urban-rural as is mostly the case today. (See Kitching 1982, p. 122 and ILO 1978, p. 39-41 and 51).

Finally, certain inputs as well as some manufactured consumer goods are produced more efficient in a large-scale factory and certain agricultural produce is processed more efficient in large-scale processing plants. Consequently, rural-urban channels must be developed to distribute mass produced commodities and collect produce from numerous small-scale peasants or their marketing co-operatives.

Looking more closely at each of the three channels, more populist suggestions as to the functioning and development of the marketing system can be acquired from the ILO-mission to Tanzania in 1978.

The agricultural input channel is the most essential channel in the modernization process, but also the channel which is most difficult to establish. Its general role is to promote new inputs and make the peasants adopt them, and although the populist peasants are assumed to be open to new ideas in

order to improve their standard of living, some scepticism is to be expected, when peasants are asked to give up farming methods known and used for many years.

The input channel consists of three sub-channels, one for commodities, one for credit and one for extension services. In Tanzania each of the three sub-channels are run by a different public institution. The commodities like fertilizer, seeds and agricultural machinery are distributed by various state trading corporations. Credit is provided by the Tanzanian Rural Development Bank, and the extension services are dispersed among a number of authorities. The three channels must be coordinated to have any effect, but it appears that each channel has its own problems to fight, and very little coordination work is carried out. The exception was the Tanzanian Rural Development Bank, which provided a package of credit, fertilizer and a standard recipe, but credit institutions will in the future not be involved in the physical distribution of inputs (Ministry of Agriculture 1983, p. 26).

The coordination problem is not the only one. In general the problems of the three sub-channels are that

- the marketing system is reorganized often drastically, too often and overnight.
- the wrong products/services are produced and distributed, e.g. unsuitable seeds and wrong advice from the extension officers (Kitching 1982, p. 110-12).
- the production as well as the distribution capacity are too low, e.g. not enough fertilizer and not enough extension officers.
- the flow of goods and services is unsteady if not outright erratic.

Part of the explanation for the poor performances lies in the fact that the marketing system is challenged with incompatible objectives, e.g. equal distribution when there is not enough to reach the minimum requirements to have any effects. Part of the problem accrues to the institutional set-up, e.g. a state corporation which is unsuitable to reach all corners of the country and unsuitable to distribute commodities with fluctuating supply. And part of the problem is simply poor management, e.g. lack of financial control system and pricing formulas with no incentives to cut costs built into them.

Whatever the reason for the poor performance of the agricultural input channel is, it is obvious that no peasants, whether farming on their own plot or working collectively on a communal plot, would be considered normal, if they voluntarily decided to make themselves dependent of such an erratic system.

Whether a properly managed marketing system would be able to make a populist version of peasant development work and the Tanzanian version in particular is not known and can hardly be discovered, because the Tanzanian version of populism interfered simultaneously and heavily in the sphere of production as well as in circulation. It can, however, be concluded that a necessary but perhaps not sufficient condition for the modernization of the populist version of the peasant economy is a properly functioning marketing system.

As to technology, the ILO-mission propose a biological-chemical strategy instead of mechanical modernization. Seeds, fertilizers, pesticides etc. are highly divisible and therefore easier to adapt to farming at different scale.

On grounds of equity as well as to promote production, ILO welcomes the increases in produce prices, which occurred in 1974 and the continuing years. ILO finds that the prices can and should be increased further, if and when the marketing inefficiencies at all stages in the distribution channel are reduced, and according to the new agricultural policy, agricultural prices will be used much more active in the directing of especially the composition of crops than was the fact in the past (Ministry of Agriculture 1983, p. 24-25).

To reduce the income gap between rural and urban people further, ILO suggests that the price formula for manufactured consumer goods is changed from a pure cost-plus formula to one, which motivates manufacturers to cut costs and to utilize production capacity. (p. xxviii).

5.2. The subordinated Peasants

The subordinated peasants are, following Raikes (1978 and 1982) and Mueller (1980), controlled by a state class, in the context of Tanzania's overall subordination to international capital.

The subordination takes place by 1. controlling the channels of distribution, linking the rural areas with the wider economy, i.e. by controlling the means of appropriation, and by 2. controlling the means of production (land, tractor hiring schemes etc.) and the productive process itself (minimum acreage requirement, villagisation etc.).

The aim of the control is threefold: 1. to increase the level of production (by modernizing agriculture) and direct the composition of crops, (e.g. towards export crops to assure access to foreign currency); 2. to extract a surplus from the peasants (by channelling the produce through official distribution channels); and 3. to prevent the development of rich, i.e. to-be-capitalist farmers.

It is clear that the marketing system plays a central role in the attempts to subordinate the peasants, but before we take a closer look at that, we will briefly discuss the processes leading to the subordination.

The peasantry in Tanzania is, following Raikes and Mueller, not precapitalist. The content of the present peasantry is determined primarily by market relations, and it has been and is subjected to the laws of motion of Capitalism.

Consequently a process of rural differentiation is at work in Tanzania, and a small class of rich farmers emerged, especially in the period 1950-65.

Thus, Tanzania is on its way to have a Capitalist agricultural sector, the spearhead of which is the rich farmers, who have access to the resources to develop the forces of production and thereby fulfil the first aim of the state class, namely increase the level of production.

This increase in production takes place at the expense of the third aim, the prevention of the development of rich farmers, and for the increase in production to materialize, it is also necessary to give up the strict control over the channels of distribution, i.e. give up the surplus extraction in order to give the farmers the necessary economic incentives.

Instead of allowing this "natural" process to unfold and accept rural socio-economic differentiation into capitalist farmers, middle peasantry and landless labourers, the process has been stifled by the Government and its public administration, which has based the rural development upon the middle peasantry, organized collectively in one way or another.

This has had severe consequences. In doing so, none of the three goals have been fulfilled.

The rich farmers, although stifled in their development, have been able to continue the accumulation in three ways: 1. access to Government resources in various "black" or "grey" ways, 2. diverting their produce through non-official channels, where prices are higher, and 3. by diversifying their economic activities, especially into non-productive areas.

The question is therefore whether agricultural development can be based on the middle peasantry.

Some evidence exists, among other from Kenya, that it is possible to increase production (for example of high grade export crops) within an undifferentiated middle peasantry and by means of contractual schemes. But such schemes which are mostly run by multinationals, require a tight control over the production process as well as the means of production.

Although the Tanzanian agricultural policy has followed some of these lines, there are important differences, and the middle peasantry has not been able to take the place of the rich farmers and develop the forces of production for four reasons: 1. they do not possess the necessary resources, 2. they are less "progressive", 3. they do not have a collective mind (stemming from pre-colonial times), 4. they cannot be moved by political "incentives" alone, but require economic benefits as well.

How antagonism is built up between the peasantry and the state is well described by Raikes (1978), using the innovations from research station as an example:

"Innovations, generated from outside the peasant farming system (in this case on the research station), are to be diffused into a peasantry characterized as "traditional", that is ignorant, conservative and "resistant to change". The innovation itself, being "modern", is not subject to critical scrutiny. Its rejection by the peasants when, as is so often the case, it is irrelevant

merely justifies the initial hypothesis of their "resistance to change". The "modernization" hypothesis has the further implication that it is useless to reason with the peasants since they are not rational, and this points to the use of coercion as a means of implementation. Even if successful in achieving the direct result required, this will also tend to generate evasion by the peasantry, thus justifying a further stereotype of slyness and laziness. In many cases it will also generate forms of "passive resistance" as the peasants try to demonstrate that the innovation is not worthwhile by applying it incorrectly. (For example, to give actual cases, by frying cotton-seed before planting or by planting cassava cuttings upside down). This only gives further confirmation to the official of the abject stupidity of the peasants and the need for greater control. (1978 b, p. 375).

The greater control combined with the absence of economic incentives due to the need on part of the state class to extract an economic surplus and the rather dubious assumption that Tanzanians still possess the collective values from the pre-colonial area are the direct cause of the poor situation in the rural areas.

Marketing implications: Following the reasoning above, the marketing system has been and is at present used as a tool to control the peasants in general and specifically to appropriate a surplus from the peasants. Thus, in the minds of the state class, it is a political instrument rather than an economic sector, but even within this framework, the marketing system has been developed and used detrimentally to the aims of the state class itself.

Assuming that the consolidation of its own position is the most important task of the state class, preventing the development of any competing class as well as continuous access to resources are vital to the state class.

Potential classes which could endanger the position of the state class are the rich peasants in the rural areas and the workers in the urban areas.

Access to resources could be endangered by not being able to increase the level of production in the long run and the lack of control over the channels of distribution in the short run.

The marketing system has been successfully used to extract a surplus from the rural areas. It has been less successful in preventing the accumulation by rich farmers, and it has been a total failure in promoting agricultural production. We shall take a closer look at

each of the three issues.

Ellis (1982) has estimated that no less than T.Shs. 4.6 billions were transferred from the peasant economy through the official marketing channels to the Government and the Crop Authorities in the period 1970-80.

He has arrived at this estimate by assuming that the peasants maintained a constant share of 66.5 % (= the 1970 share) of the sales value of their marketed output over the ten year period.

If we add the T.Shs. 4.6 billion to what the peasants actually received for their produce, marketed through the official channels, namely T.Shs. 12.7 billion, we arrive at an implicit average tax of 26.6 per cent.

To complete the picture it is essential to take note on the following:

- the marketing system was already by 1970 inefficient measured in terms of the proportion of the sales value received by the peasants, this proportion was higher in earlier years.
- the transfer increased progressively over the ten year period, and Ellis (1982) estimated that the transfer was T.Shs. 1 billion in 1980 alone or 22% of the total transfer.
- the total volume of marketed output through the official channels decreased over the ten year period.

Of the total transfer about half went to Government chests and half accrued as additional resources to the crop authorities.

The crucial question here is whether the transferred resources were used to expand a particular set of state institutions. This is a difficult question to answer, but the fact that the marketing institutions, which have been charged with the task of promoting production since 1973, have not been able to promote production over the ten year period indicates strongly that the extra T.Shs. 2.4 billion as well as huge bank overdrafts (T.Shs. 5 billion in Dec. 1980)¹⁾ which the ten parastatal crop authorities received have not been used productively.²⁾

1) Ellis (1982) p. 277.

2) For a more comprehensive treatment of the "resource transfer" issue see Bates (1981) and Sorensen (1983, pp 41-45).

Turning to the attempt to prevent the further development of a class of rich peasants, it has already been noted that the rich peasants emerged primarily in the period from 1950 to 1967 when the Government abandoned its more orthodox development strategy and opted for a Socialist Tanzania. The various initiatives on part of the Government to pursue this goal stifled the rich farmers but did not eliminate them. In many instances they were able to turn initiatives to control them into economic opportunities, a sign of their genuine entrepreneurial talents.

Up until 1973, when it was made compulsory to live in villages within three years, the rich peasants were not at any severe disadvantage. The formation of ujamaa villages was voluntary and the rich commodity producing areas did not formate such villages.

Further, multi-purpose cooperatives were conceived as the organs of Government policy, and as these were controlled by the rich farmers they were in control of the flow of resources, being it credit, extension services, tractor hiring schemes as well as the marketing of produce.

The access to resources was made more difficult. As from 1973 the allocation of resources shifted from cooperatives to ujamaa villages, making it necessary for rich farmers to move further into corrupt practices or turn the ujamaa village into a private undertaking as they so often had done with the cooperatives.

The next severe stroke against rich peasants came in 1976 when the cooperatives were abolished and a three tier single channel marketing system (cooperative society - cooperative union - marketing parastatel) substituted for a two tier system (village committee - crop authority). As the village was/is run by a village manager, appointed by the party, the rich farmers lost their direct influence on the allocation of resources and widespread circumvention of the official distribution channels was increasingly more limited.

This again forced the rich peasants further into corruption and black marketing as well as into investment in non-agricultural activities. This was partly made possible because the middle peasantry - the spearheads in the agricultural development - was not eager itself to move into villages and modernize agriculture the way suggested by the officials.

Thus the institutional changes in the distribution channels and

the resources channelled through them forced the rich peasants into non-productive accumulation and the establishment of non-official channels of distribution, which middle peasants were eager to use as well to increase their share of the sales price.

Turning finally to the issue of increasing the level of production, one reason - the lack of investments in agriculture by rich farmers - has been given above and other reasons relating to the middle peasants were given earlier.

If we for a moment assume, that the middle peasants did possess the virtues of pre-colonial culture, that they in fact were motivated to cultivate collectively to some extent, the important question is; to what extent was the marketing system the direct cause of the decrease in agricultural production. In answering that question, we might be able to state the necessary (although not sufficient) conditions for increasing agricultural production.

The answer is: 1. it diffused the wrong innovations, 2. it did not understand that diffusion is a social process which takes type. 3. it used political motivation rather than economic incentives. 4. its institutional set-up were unreliable in supplying the peasants, 5. the flow through the channels of distribution, linking the rural areas with the outer world was uncoordinated. In short, the system is organized not to promote production or undertaking the basic marketing tasks of conveying and transacting commodities, but to extract a surplus in the short run.

The poor performances of the marketing system are not due to lack of knowledge of the marketing processes, but basic marketing consideration have been forgotten in pursuing the goal of extracting a surplus from the rural areas. This ignorance of marketing issues will together with ignorance of the change in culture and values during the colonial period tend to defeat the basis for transferring resources from the peasants ultimately and thereby endanger the position of the state class in the long run.

5.3. The Uncaptured Peasants

The uncaptured/autonomous peasants are independent, small-scale and primarily subsistence farmers. They are in control of their means of production (land, labour and tools) as well as their produce, and labour rather than land is scarce. To the uncaptured peasants, physical (at a socially determined level) as well as social reproduction are more important than developing the means of production. In fact the uncaptured peasantry does not possess the dynamics to develop the means of production, and the peasants approach the market to facilitate reproduction (sell produce and buy consumer goods) rather than to buy inputs. The uncaptured peasants can reproduce themselves without relying on any class outside the peasantry, and they command a real "exit option" in case outside classes attempt to intrude and capture them to make them dependent on the market, perhaps even penetrate the peasant economy by interfering in the production process directly.

This is the profile of the peasants which Hyden (1980) presents in his book "Beyond Ujamaa in Tanzania".

The uncaptured peasantry is defined as a mode of production between the primitive cultivator and the capitalist farmer. Hyden sees this peasantry as a creation of the colonizing powers, and as a social class, it is only beginning to play its historical role in Africa.

Each unit in the peasant mode of production is small, and division of labour is rudimentary. There is no functional interdependence bringing the units into reciprocal relations with each other and leading to the development of the means of production. Cooperation among peasants is temporary and not regularly and structurally enforced.

Although the units are sort of self-contained, the peasant mode is fundamentally egalitarian as everybody is ensured a share of the total labour product so as not to fall victim of starvation.

Hyden points out the importance of making a distinction between peasant integration into the market and capitalist pene-

tration of the peasantry. He finds that the capitalist penetration in the sense of capitalist transformation of the means of production is low in Africa and that the importance of the market as the determinant of changing the peasantry has been over-emphasized.

The peasantry is not dependent on other classes, but on nature. Other classes are, however, dependent on the peasants, in the short run for food and in the long run for their political and economic position in society. Outside classes are therefore interested in reversing the dependency.

The peasants fight against integration in the wider economy, because of the risks of losing their economic independence and political freedom. Their formula of life is "to work in order to live", and meeting minimal needs in a reliable manner is a central criterion for peasants' decisions. The peasants are reluctant to take chances as producing the basic necessities is a cumbersome task.

The autonomy of the peasants and the ability to rebuff attempts to capture them rest primarily on three things: Direct access to land, i.e. the lack of a market for land; Control over other means of production (labour and tools) as well as over the output, the agricultural produce; And thirdly, the very number of scattered small-scale peasants makes it difficult to reach and control the peasants.

The peasants are, however, not without relation to the outer economy and other social classes. As already mentioned, they approach the market to facilitate their reproduction¹⁾, and Hyden points out that "The interesting paradox in the peasant mode of production is that for its own reproduction it does not presuppose exploitation or the existence of social classes, yet only when parts of the rural production are appropriated by other social classes are the producers "peasants" as opposed to "primitive culturalists." (p.16).

1) 60-70% of the labour time goes to subsistence production.

The main point is, however, that the appropriation together with the marginal use of the market can only determine the comfort, i.e. the facilitation of reproduction, not the existence of the peasants. They still have an exit option.

The appropriation and in general the attempts to capture the peasants have taken many forms:

First of all, labour conscription and taxes in kind were used in the Colonial days, and in fact these means turned the rural dwellers into peasants.

After independence the Government, representing the capturing social class, has tried to integrate the peasants by voluntary means, by means of incentives as well as by means of coercion.

Appropriation has taken place by income taxes and by taxes built into commodity prices, primarily export crops (Ellis 1982). Price changes have been used especially after 1974 to make farmers produce specific crops and sell more on the market. State farms have been established to reorganize the rural economy and turn peasants into labourers. However, the farms have not been able to generate a surplus compatible to the one, which can be sized from the peasants, and labour has been scarce due to the availability of land. Village settlements have been tried in an attempt to eradicate old peasant traditions, and the setting in nucleous villages also tend to make land more scarce, thereby creating an unofficial land market. Social services have been offered as a reward for increased production, but it seems that the peasants have acquired the services and thereby facilitated their reproduction without surrendering to the market forces. Control over agricultural inputs and credit has been tried, but the effectiveness of this presupposes that modern inputs are in demand by the peasants, and this is not the case.

Thus, many examples of attempts by modernizers to capture and the peasants' ability to rebuff the attempts of intrusion and concomitant subordination to outside social classes.

Marketing implications: What can a marketing system accomplish when it is up against Hyden's uncaptured peasants, who fight for their economic independence? As the marketing system by definition is aiming at linking rather than separating the economy, an immediate and logical conclusion seems to be that the marketing system has no development role to play in a peasant mode of production, as it is defined by Hyden.

This conclusion is partly correct, but still too hasty. Hyden's analysis does more than anything else point out the difficulties of finding an appropriate marketing system, when two different and perhaps opposing modes of production interact. His analysis points out that much more is at stake than the haggling over prices. ¹⁾ We might want to call his peasants conservative, and thereby view the marketing situation as one of diffusion and adoption, but the term seems inappropriate, when Hyden confronts modernization and development with the concepts of economic independence and perhaps political freedom (p. 33). These latter terms are normally reserved for an analysis of national states, but from Hyden's analysis it appears that they are as relevant within a society where two modes of production articulate.

When two different modes of production articulate and one of them tries to subordinate the other, the marketing system must be studied from two perspectives, in case of Tanzania i.e. the perspective of the peasants and the perspective of the modernizers.

As the modernizers are the ones who are eager to capture the peasants, they are the initiators, constantly trying to intensify the articulation. The Tanzanian modernizers have gone through three phases. Right after independence they believed in modernization from within the peasant mode of production.

As the peasants did not react favourable to the political campaigns, the modernizers looked at the peasants as being conservative and tried to overcome the conservatism by means of incentives in the form of gifts, offered within the framework of

1) This situation was more typical when Europeans "just" traded with other parts of the world, i.e. in precolonial days.

a political market place and thereby nursing the economy of affection. In marketing terms, modernization was viewed as a complex diffusion and adoption problem. The response were long in coming and Government and officials became impatient. To reach thir goal they intensified the attempts to break up the economy of affection by means of more authoritarian methods. In marketing terms, they created more state trading organizations with more power, related both to the marketing and to the production.

From the peasant point of view, the marketing system must be viewed as a system which is first of all able to defend their economic independence and which secondly can be used to facilitate reproduction, when used on the margin.

A proper place to start the analysis is to take a closer look at the theses that the peasants approach the market from a reproduction point of view rather than from a production and productivity point of view.

The peasants produce primarily for subsistence and secondly but still conscious for the market, i.e. the marketed produce is not just "what is left", when the family have satisfied its needs. It is based on an apriory decision to produce crops for the market, but in the light of domestic needs and capabilities (p. 13). Hyden estimate the market crops to take about 30-40% of the time of the peasants (p. 13).

The commodities they buy on the market are not absolutely necessary, only desirable because they facilitate the reproduction (p. 31).

Hyden does not elaborate much on the consumer goods theses. He points out that the overemphasis on the market is likely to stem from the conviction of marginalist economists that policy makers can get at the peasants by using utilitarian incentives.

This policy has not been used to any large extent. The rural areas have constantly been deprived of supplies of even basic necessities.

The supply of consumer goods was reorganized in 1976, when Operation Maduka was initiated, the aim being to substitute communally owned shops for private shops (mostly owned by Indian traders). The operation aimed at socializing trade rather than improving the supply situation. This can be inferred from the fact that it was known that most co-operative shops were badly managed and misappropriation was the order of the day.

The campaign created shortages in the rural areas, and the President had to call a stop to the operation, stating instead that no private shop should be closed until a viable village shop had been established. By 1977 (March) it was reported that 3284 ujamaa or co-operative shops had been established, i.e. about 40% of all villages had their own shop. How well they served the peasants is not known.

Thus, we observe that the consumer goods channel is socialized and more and more commodities handled through political and administrative channels. Socialization seems, however, to have been the primary purpose, the supply and thereby the facilitation of reproduction of the peasants the second purpose.

Whereas Hyden does not elaborate much on the consumer goods thesis with respect to individual consumer goods, he treats more extensively the supply of public goods or social amenities (schools, water, clinics, etc.).

Public goods were used as incentives to make people move into villages, and the intention was also to make the peasants "pay" for them in the form of an increase in production.

According to Hyden, the latter did not happen, because the Government had already promised to give such amenities to the peasants free of charge. The Government could therefore not attach a "contract" to them. The Amenities became part and parcel of the political market place, and "Rather than endangering their careers ... most officials accommodated themselves to action based on the premises of the peasant mode...", i.e. they developed patronage relationship with

the peasants, thereby nursing the economy of affection.

Breaking up the links between the officials (the patrons) and their clients was essential for breaking down the economy of affection. The Government could not turn to the market principle for two reasons. Promoting the market would increase the economic differentiation in the rural areas, and it would also strengthen the patronage ties between the local patrons and the peasants.

The Government therefore had to turn to the authoritarian way of articulation to eliminate the affective links between the patrons and the peasants. This means moving the whole state apparatus closer to the village level and making the bureaucrats and the party members dependent on and loyal to higher levels rather than onto the peasants. (p. 106).

Thus, we reach an interesting conclusion. The Government was hostile to the market, because it favoured the progressive farmers. The Government therefore substituted the commodity market for a political market place, which the peasants quickly made an integrated part of the economy of affection. The peasants on the other hand are not afraid of the commodity market as long as they can use it on the margin and use it to facilitate reproduction only.

The next question is, how they react to market signals. This question has two interrelated levels. The upper level is how they react to the terms of trade, i.e. the relative level of produce prices and prices for consumer goods (reproduction commodities). The lower level is how they react to price increases/decreases.

Hyden holds (p. 24) that price incentives, although not totally ineffective, are far less important than normally believed, because the peasants are only marginally integrated into the capitalist economy and because of internal and especially labour constraints, preventing production above a certain level. Unless a price increase is rather dramatic, the beneficiaries will tend to be the large-scale farmers and petty-capitalist farmers who are already absorbed by the

market economy. The low producer prices cannot really explain much of the difficulties encountered in realizing ujamaa (p. 124), although Hyden holds that the market relation is a more efficient instrument to integrate the peasants than is the political market place.

An attempt was made by the National Milling Corporation (NMC) to increase the intensity of interaction with the peasants. To increase sales of food crops to the NMC - the official channel - before a particular date, the NMC pays a commission to the village. "By giving the commission to the village the hope is that the leadership will use it to develop the community as a whole." (p. 145).

Hyden is not really clear on the price as an instrument to capture the peasants. He states that price incentives work on petty-capitalists. However, this raises the questions: Who are the petty capitalists? Are they not former peasants! And can't more peasants become petty-capitalists, if the price parameter is used more consciously!

In another connection (p. 148), he holds that peasants might sell more to buy their necessities, the reason being a high inflation, i.e. a worsening of the terms of trade for produce and consumer goods.

Perhaps one could conclude that price incentives work to some extent and more in terms of substitution effects than to increase production, but constraints in the peasant mode of production prevents it from unfolding, and the peasant defence of their economic independence does the same.

Thus, there is no way of "pulling" the peasants into development neither by means of consumer goods nor by means of offering higher prices for agricultural produce.

This leaves us with "a push strategy" by means of the channel for inputs to agricultural production.

Here it is first of all essential to point out that no sophisticated inputs were to flow through the channel. The villages were expected to use existing technology. The

raise in productivity was expected to come from primarily the reorganization of the labour force and secondary from the use of new inputs like improved seeds and fertilizers. The hoe was still the most important tool.

Secondly, as the peasant mode of production contains no internal dynamics, leading to the development of the means of production, modernization must be induced from outside. Several obstacles do, however, exist for such development:

1. The peasants invest so much time and effort in producing basic necessities, that they are reluctant to take chances. The importance of production "... may well be the primary reason why he is unwilling to adopt innovations, even if they hold out the promise of financial gains." (p. 13).
2. The peasants live and grow their produce in an organic environment. They do not understand the modernizers inorganic world. The most important councillors of the peasants are the previous generation. (p. 15).
3. Over the years the peasants have experienced too many poorly managed modernization programmes: The wrong advice from the extension services, the inadequacies of the marketing system etc. (p. 150).
4. The issue at stake is one of political economy, namely the economic independence of the peasants (p. 33).
5. The domestic orientation of the peasant mode of production, i.e. "Meeting minimal human needs in a reliable manner" forms the central criterion, which knits together the peasants' choices of seeds, techniques, timing, rotation, etc.

It is clear from this list of constraints on development that the modernization of agriculture cannot be viewed as a simple diffusion and adoption problem, nor a complex one. The fourth and the fifth constraints take the issue out of the realm of traditionalism. A few examples will illustrate this:

To induce the use of new inputs and especially improved seeds and fertilizer, these inputs have often been subsidized. Hyden explains how the reselling of subsidized inputs is rational within the economy of affection, where investments in the social network expands ones future potential claims on assets. The survival of the family is thereby assured. (p. 19)

In case of the National Maize Programme, which commenced in 1975 as a response to the heavy drought in 1974, the Government tried to boost maize production by introducing a technical package, consisting of better seeds and fertilizer. To promote their use, the inputs were subsidized at first to the tune of 75%, but this figure was later lowered to 50% to increase the financial pressure on the peasants to make them produce more. (p. 142). In a study of the Maize Programme, the peasants were asked about what Government could do to increase maize production. The majority answered in terms of what the Government could give them free of charge. Hyden interpretes this, not as dependency on the Government, but "By having the Government give them the resources free of charge they feel under no obligation to reciprocate and thus they retain their autonomy." (p. 150).

The villagers appreciate the gestures by the Government, but they have little effect on the village economy. The Regional Development Funds, established in 1967 to promote communal production, experienced that by providing inputs like tractors, the peasants are given a temporary relief and more time to work on their own plots. Without a repetition of the aid, the production result will be back to the level commensurate with what the existing labour force in the village finds itself capable of. (p. 110).

The debts following such ventures are not repaid by the peasants, first of all because they are not able to do so, but also because credit programmes are part of the economy of affection, a form of political patronage.

Finally, Hyden mentions the deterioration of the extension services following the decentralization reform of 1972. The purpose of the reform was officially to increase local participation. It turned out to be an instrument to increase

the intensity of interaction between peasants and the bureaucrats. The extension officials became administrators under district and regional authorities, and in that position they made less use of their technical knowledge compared to the time when they were employees of the Ministry of Agriculture. The President went even so far as to claim that agriculture would do as well without the extension service. As the peasants have never appreciated the (inorganic) advice from the extension officers, they supported the stand of the President, thereby relieving themselves of Governmental pressure for modernization. (p. 135-36).

The conclusion is clear. Although the modernization programme in many instances have been badly managed, the peasants have been and are able to barr a number of initiatives to make them dependent of outside social classes. In other cases they have been able to incorporate the initiatives into the economy of affection, thereby actually strenghtening the peasant mode of production and its ability to resist outside intrusion.

From the peasant point of view the role of the marketing system is to facilitate their reproduction. Following Hyden, the peasant have been able to use the marketing system to that effect, and the marketing system has not been effective as an instrument to capture the peasants. Although all three channels have been poorly managed, a well functioning marketing system is not a sufficient precondition for modernization of the peasant economy. "Economic independence, not just in the sense of no appropriation of surplus, is the key concept to understand the peasants behavior vis-a-vis the wider economy.

5.4. The Price Responsive Peasant

The price responsive peasants respond to market prices in the "normal" way, i.e. they produce more when prices rise and less when they fall, given the factorial endowment and the fully utilization of the factors in short supply.

This is the entrepreneurial peasants, the market behavior of which can be influenced by standard economic policies, first of all the prices of agricultural produce and secondly the availability and prices of inputs in short supply.

In contrast to this view stands the Chayanovian peasants, who "...will work for as long and as hard as is required to obtain their minimum subsistence (which is socially determined: auth.) but that, having once attained it, their labour input will start to drop sharply." (Kitching 1982, p. 48).

Ellis (1982) from his extensive analysis of output and prices for agricultural produce in Tanzania in the period from 1970 to 1980, has no doubt that the Tanzanian peasants are price responsive: "The analysis of the impact of price policy of the marketed output of Tanzanian agriculture establishes beyond any reasonable doubt the responsiveness of Tanzanian peasants to changes in the relative prices of different crops, as also to the real terms of their exchange in the economy." (Ellis 1982, p.274).

In other words, prices influence the crop composition as well as the extent of the peasants' orientation towards the market.

This responsiveness is most clearly seen in case of crops like sorghum/millet, cassava and pulses. These crops were previously grown predominantly on a subsistence basis, but as from the mid-70's the National Milling Corporation - a parastatal for food crops - started official buying of these crops at prescribed prices, which were higher than the present market price and increased yearly from 1975 to 1980.

The fixed price eliminated the risk factor, and combined with the fact that much higher production potential existed within the constraint of the peasant economy, the marketed output increased six-fold from 1973/74 to 1979/80.

This example should not be taken to indicate an overall high price elasticity of supply for Tanzanian agriculture as a whole. An increase in production only occurs if price level, risk level and

factor requirements are balanced.

Nor should the example be interpreted as non-price factors such as villagisation, minimum acreage laws and the lack of consumer goods to buy are unimportant events to explain the overall decrease in the marketed quantity of agricultural produce.

The Tanzanian Government has never had an explicit formulated agricultural price policy. Before 1973/74 and 1974/75), the Government "... evidently perceived some degree of correspondance between the magnitude of the crop failures and the level of producer prices.." (p. 269), although this perception has not lead to deeper considerations and policy formulations. The Tanzanian Government has since independence been preoccupied with building up political consciousness and promoting agricultural production through political campaigns and political "goods" (schools, water, dispensaries etc), and when these means did not prove to be efficient, the Government turned to physical compulsion rather than using means of economic incentives.

This neglect of price level considerations is most clearly documented in the way producer prices are fixed. The setting of prices follow "the residual pricing principle", i.e.

World Market Price (Anticipated)

- less Marketing Costs
- less Surplus Requirements
- less Government Tax
- = Producer Price.

Thus the producer price is arrived at by mechanically deducting costs and politically determined peasant contributions from a forecasted world market price. This principle contains no incentives whatsoever for the marketing institutions to improve their efficiency, and Ellis (1980) has gone so far as to propose a "law of rising parastatel marketing costs in Tanzania".

Apart from the pricing principle, the law encompasses two other aspects, namely the panterritorial pricing principle, which states that irrespective of the geographical location of the peasants and the quantity available for sales, the prices paid are the same.

The second aspect is the crop specific definition of the operations of the Crop Authorities, which cause a duplication of marketing functions compared to an area demarcation of the operations.

The neglect of price considerations also stems from the often assumed association between market prices and the promotion of individualism amongst peasants. Ellis (1982, p. 274) argues against this association and points out that as a return is as important for peasants who cultivate communal land as it is for peasants who have their own plot, prices enter the decision process in both cases. In this process, administratively fixed prices have that advantage over market prices that they take the risk element away, the method by which prices are set does not eliminate the importance of price considerations.

Marketing Implications: First of all is it important to recognize that the peasants are not out of reach of the market or the Government. They might be uncaptured due to the policies of the Government, in casu the neglect of a price policy, but they are not uncapturable in the Hyden sense.

Peasants can be motivated to change the composition of crops by changing the relative crop prices, and they consider changing the marketed output by confronting factor prices with produce prices. Thus, prices are important in the commercialization process of the Tanzanian agricultural sector.

To be more specific, being entrepreneurial and on their way towards integration in the wider economy, "risk", "uncertainty" and "income" become vital factors for the peasants.

To take income first, the peasants are in the nexus of three channels and they consider the input channel as "the cost channel", the produce channel as "the revenue channel", and the channel for consumer goods as "the spending channel". It is the flows through these channels adjusted for the risks involved that the peasants as entrepreneurial oriented look at. The prices of commodities through the three channels must therefore be coordinated and the risks of different kinds of flows be considered. This is the minimum requirement to an agricultural price policy directed at entrepreneurial peasants.

As to risk and uncertainty, the Government has not made a clear distinction between the two concepts. The risk related to produce prices have been eliminated by fixing the prices of most crops in advance of the growing season, but they have not eliminated the uncertainties related to the production process itself as well as to

the market relations.

Lofchie (1976, p. 488-90) has pointed out how villagisation has created much uncertainty with respect to production, but we shall confine the discussion to the uncertainties related to the market integration.

To integrate means to become dependent, and by giving up subsistence farming in the sense of not being able to return to it, the peasants become dependent of the marketing system for their supplies of inputs and consumer goods as well as for the selling of their produce. To give up their independence they demand the uncertainties at least turned into foreseeable risks and hopefully eliminated totally. If this is not possible, even entrepreneurial peasants will be reluctant to integrate, and less entrepreneurial colleagues will stick to the farming practices, known for generations.

Facing price sensitive peasants, the choice of pricing principle also becomes important. All important crops except fruits and vegetables have administratively determined prices in Tanzania. This has two consequences:

The first is, that it is difficult "... to estimate the inter-crop substitution effects of relative prices." (Ellis 1982, p. 275). Against this one could be argued that such estimates are even worse to make in case of market pricing.

Secondly, the channels of distribution cannot be controlled for a number of crops, i.e. if the administered price is lower than the market price, these crops will tend to flow outside the official channel and be sold to the higher market price unless the price control system is very efficient, which they tend not to be.¹⁾

A Government might have good reasons for controlling prices, but if a price control cannot be efficient, the drawbacks of the control are the unproductive thinking about how to circumvent the system and the many resources used to establish alternative systems, as well as the moral aspect of corruption bribery, which follows from the attempts to control.

1). See Sorensen 1984 about the conditions to be fulfilled for a control system to be efficient.

In case of administered prices, the price fixing procedure must be changed, not primarily to take the political element out of the procedure, but to build incentives to cut marketing costs into the procedure. Instead of the residual pricing principle with its mechanical deduction of marketing costs from the selling price, a prefixed margin could be given or some managerial descretion as to the use of saved marketing costs.

Finally, although price considerations are made by individual peasants as well as by collectives, the socio-economic consequences will not be the same in the two cases. All peasants do not possess the same skills and do not have equally access to factors of production to exploit for example an upward trend in prices, the result being a socio-economic differentiation within the peasantry. This tendency might be avoided by establishing communal farming, if such relations of productions are consistent with the culture into which it is introduced. In the opinion of Lofchie (1976) it is not the fact in the case of Tanzania.

5.5. The consumption oriented/the crisis-ridden peasants

The consumption oriented peasants are motivated to produce and willing to establish links with a market, if such a production and links lead to consumptive prosperity. In other words, consumption is the engine of agricultural growth, and the reactions on part of the peasants must be understood from the point of view of the upkeep and growth of their standard of living.

This is one of the major findings in a German study of the Kilimanjaro peasants (Sneider-Barthold 1983).¹⁾ The Study has many other interesting aspects, one of them being the peasant reaction to the economic crisis in Tanzania.

On the slopes of Kilimanjaro land is, in general, scarce, and the farms are small, many less than subsistence size due to inheritance practices.

Labour is also scarce in peak periods, and the two scarcities together results in a high proportion of income earned from non-agricultural activities.

The coffee growing areas of Kilimanjaro were some of the first to be commercialized in Tanzania, and the peasants are generally speaking market oriented. They are also individualists with solidarity, having reached a level comparable with the industrialized countries. The study concludes that redistribution within the village does not reach a level at which it can affect decisions on production and marketing.

The terms of trade for agricultural produce vis-a-vis manufactured consumer goods and agricultural inputs and implements have deteriorated in the later years, and this fact together with the overall shortage of "things to buy" have endangered the standard of living of the Kilimanjaro peasants.

The peasants are of three types: There are the subsistence smallholders, who are dependent on other sources of income (farm or non-farm labour); the middle-peasants who earn most of their in-

1) See also Berg (1968) and Stage (1983).

from the farm; and the rich peasants who earn most of their income from non-agricultural activity, but who do not give up their farm.

The aspirations of the peasants are threefold: As already stated, the ultimate aim is to strive for prosperity in the sense of an increase in consumption, broadly speaking. Further, the coffee-banana field is more a status symbol than it is economic lucrative. Finally, the peasants want to produce at least enough basic foodstuff to meet the family's needs.

Given this structure and the above mentioned aspirations, the study finds the two major criteria used by the peasant when they decide on the crops to grow to be: 1. the return per day's labour, and 2. avoiding drudgery.

As labour is scarce, the peasants concentrate on the cash crops which give the best return on the scarce (family) labour employed. Due to its symbol of status, the coffee-growing is to some extent outside this calculation.

The avoidance of drudgery, e.g. in case of cotton and finger millet, showed that, despite the higher return per day's labour, the peasants were not willing to grow the crops, because they do not feel, that the additional income compensates for the far more labour intensive weeding and harvesting.

Facing the crisis and using the above framework, the study finds that the standard of living is protected by returning to some extent to subsistence farming, by more non-agricultural work, by selling on the parallel market where prices are good, by obtaining the stable income (per kg.) from selling coffee, by abstaining from growing crops which involves the supplies of inputs from outside, and by postponing the purchase of durable consumer goods.

The consumption oriented peasants are a mix of the price responsive peasants, the uncaptured and the captured peasants. The study showed that the Kilimanjaro peasants, who for long have been integrated into the market (even the world market), are responsi-

ve to changes in produce prices. It was also shown that the peasants are only partly capable of delinking themselves from the market (p. 80), and they found that the political power was held by the middle classes and that power and wealth in the highland areas depended to a very limited extent on the ownership of land.

The study therefore concludes that Hyden's uncaptured peasants can only partly be found in Kilimanjaro and that no class of large and rich farmers form a separate and decisive class in the region.

The marketing implications of the consumption thesis is not hard to deduce. First of all, the channel for consumer goods and services, including services of more collective nature such as water, schools and health care, must be expanded, and the terms of trade must not deteriorate. Further, as the peasants are familiar with market relations, the inputs and channel for inputs and implements must be improved in especially two respects, namely in its stability and with relation to the proper inputs and implements. A low but reliable flow of inputs is better than a high but fluctuating supply. Further, as land and labour are scarce, the inputs and implements must aim at increasing productivity, i.e. yield per acre, and should reduce drudgery.

Summary Profile of Tanzanian Peasants

Rural Living:	<u>The subordinated peasants:</u>	<u>The neo-populist peasants:</u>	<u>The neo-populist peasants:</u>
		The official.	The actual.
1) Agricultural development based on	Progressive and rich farmers.	The middle peasantry.	The middle and progressive peasants.
2) Market relations.	Integrated and Unilateral dependent on the market, a state class and international capital.	Integrated but mutual dependency by means of communal organization of market relation.	Integrated, but no capitalist penetration. Government attempts to Control the relation, but parallel markets arise for non-controllable commodities.
3) Rural differentiation	A process of rural differentiation is at work: Capitalist farmers, peasants and landless farm labourers.	Some, but it is being reduced.	Some, but not based on agricultural activity alone.
4) Farming system.	Individual farms.	Communal farming in ujamaa villages with small individual plots for subsistence food. Farming practices are improved.	Individual farms.
5) Aspirations/attitudes.	Rich farmers: accumulation and consumption. Entrepreneurial attitudes. Others: Survival in a compelling world. Traditional oriented and non-rational.	Self-reliance co-operation and equality, Further, consumption, open for adoption of new farming practices, but preserve the basic values of pre-colonial rural communal living.	Peasants. Not against newness but rejects irrelevant changes and fragmented innovations. Government: Peasants are ignorant, traditionalists, and even lazy.
6) Incentives.	Rich/farmers: Economic. Others: Traditional values and lack of progressiveness leads to co-ercive measures and control by the Government/rich farmers.	Independence, nationalism, political campaigns, public utilities like schools, water, hospitals etc.	None except control and co-ercion.
7) Government.	Stiffles but does not prevent rural differentiation and capitalist agricultural development. Rich farmers diversify their economic activities to non-controllable areas.	In principle a catalyst, offering advice, leadership, to-some extent resources to a process, which would develop by itself and from below in the rural areas. The "natural" process has not emerged and coercion and control is the order of the day.	Assure development and own position through control over resources.

Summary Profile of Tanzanian Peasants (continued)

<u>The Uncaptured peasants:</u>	<u>The Price respon- sive peasants:</u>	<u>The Consumption oriented peasants:</u>
No development will take place as the uncaptured peasantry possess no internal dynamics, which can develop the means of production.	Prices important to commercialize agriculture.	Availability of consumer goods.
Not dependent of the market, but use it to facilitate reproduction. Withdraw from the market, if attempts to make them dependent are made.	React to market signals in the "normal" way, both with respect to composition of crops and the level of production.	Familia with market transactions and able to withdraw to some extent.
Primarily the one based on?	Not spelled out.	Yes, stemming from non-agricultural economic activity rather than the possession of land.
Independent, small-scale and primarily subsistence farmers, who control the means of production and their produce.	Individual or communal.	Individual farms.
Reproduction physically and socially. Meeting minimal needs in a reliable manner.	Entrepreneurial.	Prosperity and especially consumption. Produce enough basic for the family individualism.
Whatever facilitates reproduction without endangering their economic independence and political freedom.	Economic	Means, which increase the return per days labour and inputs in order to increase productivity.
Dependent on the peasants for food. Ultimate aim is to capture the peasants, i.e. make them dependent, and the Government interventions should be seen in this light.	The Government has a choice between a market price or a conscious price policy with administered prices, which gives incentives to peasants and marketers.	Secure a stable flow of consumption goods and inputs in order to increase productivity.

Appendix 1: Facts on Tanzania

Independence: 1961

Constitution: One-party socialist regime.

Official languages: Swahili and English.

Capital: Dar es Salaam (about 1 mill.).

GNP per capita: US\$ 275 in 1980.

Growth rates: 1960 - 79 2.3% per annum in real terms.
1970 - 79 0.8%.

Literacy: 79% of 15 years and above.

Children attending primary school: 90-100%.

Life expectancy: 52 years in 1979.

Access to safe water: 39%.

Population: 19.2 mill. in 1981.

Under 15 years: 46%

Growth rate: 3.4% per annum.

Rural population: 88%.

Number of villages: 8500.

Area: 945.000 km².

Arable land: ca. 1/3.

Production structure 1979: Agriculture 52% of GDP
Industry 22% - -
Services 36% - -

Subsistence production: More than half of agricultural production and about 1/3 of GDP.

Share of agricultural production, produced by smallholders and estates (%):

	<u>Small holders:</u>	<u>Estates:</u>
Cotton, tobacco cas-		
hew nuts, oilseed	almost all	
Coffee	85%	15
Maize	75	25
Tea	30	70
Wheat	10-20	80-90
Sugar		almost all
Sisal		100

Main exports (and % of total): Coffee (27), Cotton (8%). Sisal (6%), Tobacco (), Tea () and Diamonds (5%).

Imports of cereals: 1969/70 - 1981/82: 183 ('000 tons) per annum
1981/82: 388 ('000 tons)

Aid: US\$ 5-600 million in 1983, more or less the same magnitude as exports earnings and over 1/3 of total gross investments.

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